

W-01303A-09-0343
5 W-01303A-09-0343



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ORIGINAL

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: ()

Fax: ()

Priority: Respond Within Five Days

Opinion No. 2009 83793

Date: 12/16/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Timothy J. Last: Dumbrell

Account Name: Timothy J. Dumbrell

Home: (000) 000-0000

Street: email address

Work:

City: Anthem

CBR: ()

State: AZ Zip: 85086

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: ()

Contact Phone: ()

Nature of Complaint:

Docket Nos. SW-01303A-09-0343 & W-01303A-09-0343.

From: Timothy Dumbrell [mailto: ()]
Sent: Tuesday, December 15, 2009 8:28 AM
To: Utilities Div - Mailbox
Subject: Water rates and promises made.
Importance: High

Arizona Corporation Commission

DOCKETED

DEC 17 2009

DOCKETED BY ()

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2009 DEC 17 P 3:53

RECEIVED

Gentlemen,

It is my understanding that Mr. Bob Golembe has written a letter to Chairwoman Mayes and Commissioners regarding the pending Anthem water rate case Docket Number W-01303A-09-0343. Mr. Golembe makes some very good points in his letter including:

- (1) The previous and proposed rate increases are egregious and outrageous.
- (2) The so-called "balloon payments" or "true-up" costs should not be included in any rate consideration..
- (3) The financing of the utility should have been done by issuing bonds or some other alternative means of financing which would spread the cost over the life of the utility - usually 30 to 50 years.

When I purchased my home from Del Webb (now Pulte) in December 2007, I ask the salesman about the water rates for Anthem. I was told verbally that the water rates in Anthem were comparable to those in Phoenix. There was never any mention about the unusual financing arrangements between the utility company at that time and Del Webb (now Pulte). I was not informed verbally or in writing about any "balloon payments" or "true-up" costs coming due at any time in the future. Had I known about such unusual financing arrangements

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

between Del Webb (now Pulte) and the water utility company, and the potential (or certainty) of significant rate increases, I would not have bought my home in Anthem.

Sincerely,

Timothy J. Dumbrell

[REDACTED]
Anthem, AZ 85086
[REDACTED]

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

12/16

I called and left a voice mail message this afternoon acknowledging receipt of this customer's Opinion against the proposed rate increase. I did leave my direct telephone number in case he would further like to discuss this issue with me directly.

12/16

Emailed to Carmen Madrid for docketing.
Docket Nos. SW-01303A-09-0343 & W-01303A-09-0343.
FILE CLOSED.
End of Comments

Date Completed: 12/16/2009

Opinion No. 2009 - 83793

W-01303A-09-0343
SW-01303A-09-0343

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 83776

Date: 12/16/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Last:
Jeffrey Pointer

Account Name: Home: [REDACTED]

Street: [REDACTED] Work:

City: Phoenix CBR:

State: AZ Zip: 85086 is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED] Contact Phone: [REDACTED]

Nature of Complaint:

12/15 W-01303A-09-0343. ANTHEM WATER DISTRICT

Jeffrey W Pointer [REDACTED] 12/13/2009
40915 N Harbour Town Way [REDACTED]
Arizona American Water Rate Filing [REDACTED] Docket: W-01303A-09-0343
Arizona American Water Company [REDACTED] Con
jointer1@q.com

Dear Chairperson Mayes & Commissioners

I want to express my shock and disapproval of the previous rate increase (decision 70372) and the rate increase request from Arizona American Waters for Anthem Water/ Anthem Waste Water Auga Fria District currently before the commission.

This application calls for a 100% increase for water and a 81% increase for waste water. This would increase my total water bill by more then \$83.00 per month for 4000 gal on a 1 inch meter. This increase is patently outrageous, especially on top of the last increase

In decision 70372 over \$4 million was for infrastructure repayment/ refund and the current increase request has \$28 million for additional infrastructure repayments. This equates to over \$32 million of one time reimbursements that are buried in our base rates that will permanently inflate the water rates in this community. Theses repayments of infrastructure investments to Arizona American Water are materially harming the Anthem community and are subsidizing a required investment to increase market share.

Increases of 100% in water rates in the depressed economy that we are in will cause a continued downward spiral of foreclosures. Anthem has one of the highest foreclosure rates in the valley and most of the residents

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

are either laid off or has had a significant reduction in income. As a result any increase in water rates will drive more families over the financial edge to foreclosure causing further depression in home values which the community could never recover from.

In June 2008 Commissioner Mayes stated

"This rate increase is patently unfair. It asks current customers to pay a bill that they didn't know was coming, didn't have a chance to protest and didn't have an opportunity to prepare for. And I can't say that I have ever seen a case before that cried out so much for us to apply Article 15, Section 3 as well as the Community Action Association case that Commissioner Mundell so rightly cited in the past. I would add there is no evidence that any utility in the State of Arizona has ever been financed in such a patently unfair way to consumers. And I think it is important to note that by leaving the true-up payments in the rate base, we are subjecting, we are forever allowing them to be in rate base and subjecting all future ratepayers to paying for those unfair costs."

If the current rate increase request is approved at or near the requested amount, the community of Anthem will suffer irreparable harm. Changes in life style, impact on real estate values /sales, increases in HOA and community dues, increase in retail stores are a sure reality all in a unprecedented depressed economy. We implore you to consider ways to mitigate this heavy and unreasonable burden on our community. Your decision could drive a significant number of families into foreclosure.

Please consider the following actions:

- ☐ Invoking ARS 40-252, Rescission or amendment of orders by commission, collateral attack on final orders or decisions prohibited on decision 70372
- ☐ Remove the repayment/refund millions entirely from the rate increase (which we pay forever), that is in agreement with Commissioner Mayes Amendment #1 of the June 2008 Decision 70372.
- ☐ Move the repayment/refund millions from our "Base Rate" to a special "Assessment" amortized over 20-25 years (date certain termination).
- ☐ Adjust the water and wastewater usage to reflect reality (all water consumed does NOT go to waste).
- ☐ Eliminate the 3/4 and 1-meter rate to one aggregate rate. A gallon of water is a gallon of water, period! Those households with a fire sprinkler (mandated by the Fire Dept.), should not pay a premium as it takes less water to put out a house fire with sprinklers than not.
- ☐ Follow through the study and evaluation on the consolidation of Arizona American Water Districts.
- ☐ Impose a senior rate to help those on fixed income.

Thank you for you efforts

Jeffrey Pointer

Anthem, AZ 85086

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed

End of Comments

Date Completed: 12/16/2009

Opinion No. 2009 - 83776

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 83772

Date: 12/15/2009

Complaint Description: 08A Rate Case Items - Opposed
 N/A Not Applicable

Complaint By: First: Last:
 Stan **Middleton**

Account Name: Stan Middleton

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Phoenix

CBR:

State: AZ Zip: 85086

is:

Utility Company: **Arizona - American Water Company**

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

12/15 W-0130A-09-0343

From: stan [mailto:[REDACTED]]
Sent: Saturday, December 12, 2009 9:50 AM
To: Utilities Div - Mailbox
Subject: water/waste increase

Ladies & Gentlemen, I'm writing in regard to docket number W-0130A-09-0343. This high rate increase pending ,places me in a precarious financial position. My wife and I are retired and on a fixed income and this absorbent increase is unattainable. I purchased my home in the Athem Country Club July, 2004. The Del Webb salesperson did not inform me regarding the future financial arrangement between the utility company and Del Webb. If i had known i would not have bought the home. The financing should be carried over a 20 to 30 year time frame by issuing bonds. Regardless of when sell-out came, this practice would result in a fair and compassionate procedure. Best Wishes, Stan Middleton, [REDACTED]
phone number [REDACTED]

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed with Docket Control
End of Comments

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Date Completed: 12/15/2009

Opinion No. 2009 - 83772

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion No. 2009 83782

Date: 12/16/2009

Complaint Description: 08A Rate Case Items - Opposed
 N/A Not Applicable

Complaint By: First: Last:
 Porter Davis

Account Name: Porter Davis

Home: (000) 000-0000

Street: [REDACTED]

Work:

City: Glendale

CBR: [REDACTED]

State: AZ Zip: 85308

is: Business

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

12/15 DOCKETED W-1303A-09-0343 SW-1303A-09-0343

From: Davis, Porter (AZ76) [mailto:[REDACTED]]
Sent: Sunday, December 13, 2009 1:46 PM
To: Utilities Div - Mailbox
Subject: Anthem Water Rate Case

I am concerned about the water rate jump. When I bought my home in Anthem in April 2005 I was told that water cost would be about the same as it is in Phoenix. Please consider the sellers argument to jump our cost unreasonably.

L. Porter Davis
Senior Fellow
Chief Systems Engineer
Honeywell
[REDACTED]

Glendale, AZ 85308
[REDACTED]
[REDACTED]
[REDACTED]

End of Complaint

Utilities' Response:

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator's Comments and Disposition:

Docketed in W-1303A-09-0343 AND SW-1303A-09-0343

End of Comments

Date Completed: 12/16/2009

Opinion No. 2009 - 83782

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion **No.** 2009 83773

Date: 12/16/2009

Complaint Description: 08A Rate Case Items - Opposed
 N/A Not Applicable

Complaint By: **First:** Jack **Last:** Taub

Account Name: Jack Taub

Home: [REDACTED]

Street: [REDACTED]

Work:

City: Phoenix

CBR:

State: AZ **Zip:** 85086

is:

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

12/15 W-01303A-09-0343. ANTHEM WATER DISTRICT

From: Jack Taub [REDACTED]
Sent: Saturday, December 12, 2009 10:04 AM
To: Utilities Div - Mailbox
Subject: Arizona Water Rate Case

Members of the Commission,

It is my understanding that Mr. Bob Golembe has written a letter to Chairwoman Mayes and Commissioners regarding the pending Anthem water rate case Docket Number W-01303A-09-0343. Mr. Golembe makes some very good points in his letter including:

- (1) The previous and proposed rate increases are egregious and outrageous.
- (2) The so-called "balloon payments" or "true-up" costs should not be included in any rate consideration..
- (3) The financing of the utility should have been done by issuing bonds or some other alternative means of financing which would spread the cost over the life of the utility - usually 30 to 50 years.

When I purchased my home from Del Webb (now Pulte) in December 2000, I asked the salesman about water rates for Anthem. I was told verbally that the water rates in Anthem were comparable to those in Phoenix. There was never any mention about the unusual financing arrangements between the utility company and Del Webb (now Pulte). I was not informed verbally or in writing about any "balloon payments" of "true-up" costs coming due at any time in the future. Had I known about such unusual financing arrangements between Del Webb (now Pulte) and the water utility company, and the potential (or certainty) of significant rate increases, I

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

would not have bought my home in Anthem. The homeowners and residents of Anthem should not be held responsible for the poor investment practices or lack of due diligence by the water company. Most of us, as you are aware, have suffered large losses in home values. A further punitive and unfair rate increase, will, for many of us, will be more than is endurable.

Sincerely,

Jack Taub

[REDACTED]
Anthem, AZ 85086

[REDACTED]
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed

End of Comments

Date Completed: 12/16/2009

Opinion No. 2009 - 83773

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Trish Meeter

Phone: [REDACTED]

Fax: (000) [REDACTED]

Priority: Respond Within Five Days

Opinion **No.** 2009 83775

Date: 12/16/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: **First:** Tom and Kay **Last:** Winter

Account Name: Tom and Kay Winter

Home: (000) 000-0000

Street: [REDACTED]

Work:

City: Phoenix

CBR: [REDACTED]

State: AZ **Zip:** 85086

is: E-Mail

Utility Company: Arizona - American Water Company

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

12/15 W-01303A-09-0343. ANTHEM WATER DISTRICT

From: tomkaywin@aol.com [mailto:[REDACTED]]

Sent: Sunday, December 13, 2009 5:43 PM

To: Utilities Div - Mailbox

Subject: Subject: Anthem Water Rate Case - Docket Number W-01303A-09-0343

Ladies and Gentlemen,

It is my understanding that Mr. Bob Golembe has written a letter to Chairwoman Mayes and Commissioners regarding the pending Anthem water rate case Docket Number W-01303A-09-0343. Mr. Golembe makes some very good points in his letter including:

- (1) The previous and proposed rate increases are egregious and outrageous.
- (2) The so-called "balloon payments" or "true-up" costs should not be included in any rate consideration..
- (3) The financing of the utility should have been done by issuing bonds or some other alternative means of financing which would spread the cost over the life of the utility - usually 30 to 50 years.

When I purchased my home from Del Webb (now Pulte) in June 2001, I asked the salesman about the water

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

rates for Anthem and was told verbally that the water rates in Anthem were comparable to those in Phoenix. There was never any mention about the unusual financing arrangements between the utility company at that time and Del Webb (now Pulte). I was not informed verbally or in writing about any "balloon payments" of "true-up" costs coming due at any time in the future. Had I known about such unusual financing arrangements between Del Webb (now Pulte) and the water utility company, and the potential (or certainty) of significant rate increases, I would not have bought my home in Anthem.

In fact, in the document entitled "STATE OF ARIZONA DEPARTMENT OF REAL ESTATE; SUBDIVISION PUBLIC REPORT FOR ANTHEM COUNTRY CLUB UNIT 7 aka Bel Air; Registration No. DM00-024092" under the section "UTILITIES" SUB SECTION "Water": "Citizens Water Resources will provide the water supply. There are then instruction to establish an account with Citizens Water Resources and the current base rate. The document then continues " Developer will complete the facilities to the Lot lines on or before March 31, 2001. You will pay no additional costs for installation of service to your lot boundary or extension of service from your lot boundary to your residence.

There is a similar statement related Sewage Disposal.

Because of these statements, I do not believe we should bear a second (the first being in the purchase purchase of the lot and home) recovery of utility construction.

Sincerely,

Tom and Kay Winter

[REDACTED]
Anthem, AZ 85089

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Docketed

End of Comments

Date Completed: 12/16/2009

Opinion No. 2009 - 83775

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Richard Martinez

Phone: (520) 628-6555

Fax: (520) 628-6559

Priority: Respond Within Five Days

Opinion **No.** 2009 83787

Date: 12/16/2009

Complaint Description: 08A Rate Case Items - Opposed
 N/A Not Applicable

Complaint By: **First:** **Last:**
 Laury **Shanye**

Account Name: Laury Shayne

Home: (000) 000-0000

Street: 2268 W. Muirfield Drive

Work:

City: Anthem

CBR: shayne@yahoo.com

State: AZ **Zip:** 85086

is: E-Mail

Utility Company. **Arizona - American Water Company**

Division: Water

Contact Name: Karl Wilkins

Contact Phone: (623) 815-3107

Nature of Complaint:

W-01303A-09-0343 & SW-01303A-09-0343

From: Laury Shayne [mailto:l_shayne@yahoo.com]
Sent: Tuesday, December 15, 2009 12:39 PM
To: Utilities Div - Mailbox
Cc: Jerry Shayne
Subject: Rate Increase

Name: Laury Shayne
Address: 2268 W. Muirfield Drive
 Anthem, AZ 85086
State docket number: W-01303A-09-0343.

Per the article in the Arizona Republic, our water bill is already outrageously high. The prices quoted in the article are nowhere near what I currently pay for water. I pay a base rate of \$42.88 per month for water and a base of \$27.76 for sewer service and \$24.36 per unit over that.. My average bill is nowhere close to the \$85 quoted in the paper. We pay approximately \$120 per month to Arizona American Water. And guess what! We don't even live in Anthem full time. We come down there from Prescott in the winter only perhaps two weekends a month.

I hope that you will consider that American Water is already ripping off their clients. Our water, sewer and garbage in Prescott run around \$47 per month. How can the bills in Anthem possibly be so much more than Prescott? Please dismiss their request for an increase. They don't deserve it.

ARIZONA CORPORATION COMMISSION
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End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

12/16-

Emailed to Trish Meeter to docket.

Docket Nos. W-01303A-09-0343 & SW-01303A-09-0343.

FILE CLOSED.

End of Comments

Date Completed: 12/16/2009

Opinion No. 2009 - 83787

W-01303A-09-0343
W-01303A-09-0343

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Investigator: Carmen Madrid

Phone: [REDACTED] 3

Fax: [REDACTED]

Priority: Respond Within Five Days

Opinion **No.** 2009 **83825**

Date: 12/16/2009

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: **Ronnie & Rob**

Welch

Account Name: Robert Welch

Home: (000) 000-0000

Street: [REDACTED]

Work: (000) 000-0000

City: Phoenix

CBR: [REDACTED]

State: AZ Zip: 85086

is: E-Mail

Utility Company: **Arizona - American Water Company**

Division: Water

Contact Name: [REDACTED]

Contact Phone: [REDACTED]

Nature of Complaint:

From: Ronnie & Rob Welch [mailto:[REDACTED]]
Sent: Wednesday, December 16, 2009 9:41 AM
To: Utilities Div - Mailbox
Cc: [REDACTED]
Subject: Anthem Water Rate Increase - Arizona American Water Co.

Ref: State Docket Number W-01303A-09-0343

Arizona Corporation Commission
mailmaster@azcc.gov

I would like to protest the proposed rate increase of the Arizona American Water Company (AAWC). It is, at the minimum, an unfair and unjust proposal.

First of all, the amount is ludicrous. According to the Arizona Republic, the proposed increase, apparently about 92% of our current payment, would raise my monthly average bill of \$135 to \$259, an increase of \$124 a month. That's ridiculous. Anthem already has one of the, if not the most, highest water rates in Arizona.

Secondly, the Arizona Republic reported that AAWC President Paul Townsley stated that the rate increase is for services already provided. Well, I only moved to Anthem from Scottsdale six short months ago, so that justification doesn't apply to me. It is illegal to charge me for services that I have not received; I didn't live here at the time.

What occurred seven years ago in 2002 between AAWC and Citizen Utilities and in 1998 with Anthem developer Del Webb/Pulte Homes was a business transaction between those entities. That was the time to propose any increase based upon those transactions. What happened then has no reasonable legal nor binding bearing on a proposed rate increase now.

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

The fact that Anthem built out in 10 years instead of the 20 years forecast really has no bearing on any proposed increase. It simply means that the water company's revenue base and income increased in half the expected time. They should be happy for this; more money coming in for them sooner. As far as the company having to repay the developer in a shorter time, this also really has no bearing. That was a business decision between the two companies years ago. Apparently, it was a bad one, but AAWC customers should not have to pay for their bad business decisions. Let me tell you, if this was a competitive market, American would not dare ask for an increase using this as a bases. They would lose all their customers to their competitor.

Thank you for your consideration on this matter.

Rob
Robert E. Welch
[REDACTED]
Anthem, AZ 85086-3022
[REDACTED]

cc: Kevin Hearty, Executive Director, Anthem Community Council
End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Responded with the following letter via e-mail:

December 16, 2009

Mr. Robert E. Welch
[REDACTED]
Anthem, AZ 85086-3022

Dear Mr. Welch:

Your comments regarding the Arizona-American Water Company (AAWC) rate case will be placed on file with the Docket Control Center of the Arizona Corporation Commission ("Commission") to be made part of the record. The Commission will consider your comments before a decision is rendered in the AAWC application.

The concerns raised in letters received from customers will assist the Commission in the investigation and review of the rate application. The Commission's independent analysis of the utility and its rate request attempts to balance the interest of the utility and its customers.

Commission Staff is very sensitive to the burden that high utility rates can place on the consumer, and though constitutionally required to allow a fair return to the utility, does everything within its authority to protect the consumer.

Staff appreciates your comments and the interest taken on the proposed rate increase. If you should have any questions relating to this issue, please call me toll free at (800) 222-7000.

Sincerely,

Carmen Madrid

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Public Utility Consumer Analyst
Utilities Division

Filed in Docket No. W-01303A-09-0343 & SW-01303A-09-0343
End of Comments

Date Completed: 12/16/2009

Opinion No. 2009 - 83825
